

5673.0.55.003 - Wage and Salary Earner Statistics for Small Areas, Time Series, 2003-04 to 2006-07

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Summary

Contents

CONTENTS



Main Features

Includes: Introduction, Trends in Average Wages and Salaries 2003-04 to 2006-07, Regional Variations in Average Annual Growth Rates, Western Australia: A Regional Analysis.



New South Wales

Includes: Top Average Wage and Salary Income Regions.



Victoria

Includes: Top Average Wage and Salary Income Regions.



Queensland

Includes: Top Average Wage and Salary Income Regions.



South Australia

Includes: Top Average Wage and Salary Income Regions.



Western Australia

Includes: Top Average Wage and Salary Income Regions.



Tasmania

Includes: Top Average Wage and Salary Income Regions.



Northern Territory

Includes: Top Average Wage and Salary Income Regions.



Australian Capital Territory

Includes: Top Average Wage and Salary Income Regions.

Main Features

MAIN FEATURES

[Introduction](#)

[Trends in Average Wages and Salaries, 2003-04 to 2006-07](#)

[Regional Variations in Average Annual Growth Rates](#)

[Western Australia: A Regional Analysis](#)

INTRODUCTION

This article and the accompanying data are provided to support analyses of local economic conditions for regions throughout Australia. The data are produced by the ABS using personal income tax (PIT) information from the Australian Taxation Office (ATO).

Wage and salary statistics in this release are presented for the years 2003-04 to 2006-07 on a range of geographic levels. These data have been compiled on a different basis to previous releases of Wage and salary earner data for

2003-04 to 2005-06 released in [Regional Wage and Salary Earner Statistics, Australia](#). Users should therefore exercise caution in comparing data in this release with data in [Regional Wage and Salary Earner Statistics, Australia](#). For further information, please refer to the [Explanatory Notes](#).

In 2006-07, around 9.3 million Australians derived income from Wages and salaries. Over \$392 billion - around 78% of all income earned by Australian taxpayers - was earned from Wages and salaries in 2006-07. As the economic well-being of most Australians is largely determined by the amount of income they receive, analysing geographical variations in Wages and salaries - and how these change over time - can provide valuable information about relative advantage and disadvantage in regions and the nature of regional economies in general. Wealth is also an important contributor to economic well-being; some people on low incomes may have property and business assets to draw on, whilst others on high incomes may also have high levels of debt.

The data presented in this article can be used to explore questions such as:

- have average incomes from Wages and salaries increased over time, and if so by how much?
- which regions experienced higher growth in average Wages and salaries income compared to others?
- have average incomes from Wages and salaries increased at higher rates in capital city areas compared with regions outside capital cities?
- which regions with high average incomes from Wages and salaries also experienced high growth rates in Wages and salaries?
- which regions with low average income experienced high growth rates in Wages and salaries?

The first part of this article will provide an overview of average Wage and salary incomes from 2003-04 to 2006-07, highlighting changes in average annual growth rates between and within Australian states and territories. This section of the article will also identify those regions with either high or low average Wage and salary income (based on 2006-07 data) that experienced high average annual growth rates in average Wages and salaries over time.

The second part of the article will focus specifically on the regions in one state of Australia to illustrate how the data in this release can be used to explore the characteristics of regions at the small area level. Western Australia has been chosen as the focus for this article because it had the highest average annual growth rate in average Wage and salary income of all Australian states and territories, for the period 2003-04 to 2006-07. This analysis includes a brief look at the occupation of Wage and salary earners at the regional level. This section will also draw on additional data about regions from a range of other sources (e.g. ABS Census of Population and Housing, 2006; and Estimated Resident Population data, from [Regional Population Growth, Australia](#), cat. no. 3218.0). Regional summary data from a wide range of sources can be found in the [National Regional Profile](#).

This article illustrates only a few ways Wage and salary data can be used to explore regional variations in income. Further analysis of regional incomes can be undertaken using the data contained in the spreadsheets attached to this article.

The statistics have been compiled using aggregated individual income tax data from the Australian Taxation Office (ATO). The Australian Bureau of Statistics (ABS) wishes to acknowledge the invaluable support of the ATO in compiling these statistics.

TRENDS IN AVERAGE WAGES AND SALARIES, 2003-04 TO 2006-07

On average, Australians earned \$42,081 in Wages and salaries in 2006-07; up from \$40,276 in the previous year. Over the period 2003-04 to 2006-07, the average annual growth rate in average Wage and salary income in Australia was 4.5%. This was during a period of strong economic growth, with Gross Domestic Product increasing at an average rate of 8.6% per annum over the four year period ([Australian National Accounts: National Income, Expenditure and Product, Sep 2009](#), cat. no. 5206.0) and the seasonally adjusted unemployment rate falling from 5.5% in June 2004 to 4.3% in June 2007 ([Labour Force, Australia, Jan 2010](#), cat. no. 6202.0).

Table 1 shows that the Australian Capital Territory recorded the highest average annual income in each year between 2003-04 and 2006-07.

Western Australia recorded the highest growth in average annual Wages and salaries between 2003-04 and 2006-07 (6.2%), followed by Queensland (5.4%), and the Australian Capital Territory (4.7%). The high growth rate for Western Australia resulted in that state having the third highest average annual Wage and salary income in 2006-07, moving up from fifth highest in 2003-04. For all States and Territories, and for Australia as a whole, average annual growth rates for regions outside of capital cities either matched or were slightly higher than those for capital city Statistical Divisions (SDs), although average annual incomes were considerably higher in capital city SDs.

Table 1. Average Annual Wages and Salaries, by State and Territory, 2003-04 to 2006-07

Average Annual Income

Region	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	Average Annual Growth Rate %
New South Wales	39 648	41 433	43 032	44 850	4.2
Sydney SD	42 811	44 799	46 425	48 428	4.2
Balance NSW	33 360	34 774	36 307	37 717	4.2
Victoria	36 882	38 421	39 861	41 260	3.8
Melbourne SD	38 762	40 368	41 840	43 302	3.8
Balance Victoria	31 412	32 720	34 041	35 188	3.9
Queensland	33 965	35 655	37 680	39 735	5.4
Brisbane SD	35 775	37 461	39 597	41 720	5.3
Balance Qld	32 243	33 944	35 879	37 867	5.5
South Australia	33 623	35 061	36 357	37 830	4.0
Adelaide SD	34 728	36 229	37 521	38 936	3.9
Balance SA	30 357	31 586	32 894	34 534	4.4
Western Australia	36 048	38 219	40 575	43 226	6.2
Perth SD	36 523	38 712	41 095	43 785	6.2
Balance WA	34 553	36 679	38 932	41 428	6.2
Tasmania	31 358	32 467	33 903	35 288	4.0
Greater Hobart SD	33 021	34 118	35 660	37 065	3.9
Balance Tas	30 091	31 199	32 527	33 898	4.1
Northern Territory	37 665	40 016	41 589	43 027	4.5
Darwin SD	39 437	42 222	43 723	45 014	4.5
Balance NT	34 466	35 983	37 618	39 278	4.5
Australian Capital Territory	42 834	45 922	47 061	49 116	4.7
Canberra SD	42 841	45 932	47 071	49 122	4.7
Balance ACT	40 061	43 031	44 503	46 868	5.4
Australia	36 889	38 607	40 276	42 081	4.5
<i>All capital cities</i>	<i>39 112</i>	<i>40 939</i>	<i>42 620</i>	<i>44 495</i>	<i>4.4</i>
<i>Balance of Australia</i>	<i>32 452</i>	<i>33 963</i>	<i>35 615</i>	<i>37 259</i>	<i>4.7</i>

Within each state and territory there is some variation in the rates of growth across small areas, such as Statistical Local Areas (SLAs). The degree of variation in rates of growth across these areas can be assessed statistically by looking at the standard deviation of growth rates of average annual wage and salary income. Standard deviation is a measure of the variation of data points around the mean of those data points. In a normally distributed set of data, approximately 68% of data points will fall within one standard deviation of the mean.

Table 2 shows that Western Australia (Balance of State) had an average annual growth rate in average Wage and salary income of 6.2%, with a standard deviation of 2.8%. That is, around 68% of Statistical Local Areas outside the capital city of Perth had an average annual growth rate of Wages and salaries between 3.4% and 9.0% (6.2% +/- 2.8%). While Perth SD also experienced a 6.2% average annual growth rate in Wages and salaries, variations in growth rates between SLAs in the capital were less pronounced than the rest of the state, as shown by a standard deviation of 0.9%

Table 2. Average Annual Growth Rate of Statistical Local Area Average Wages and Salaries, 2003-04 to 2006-07

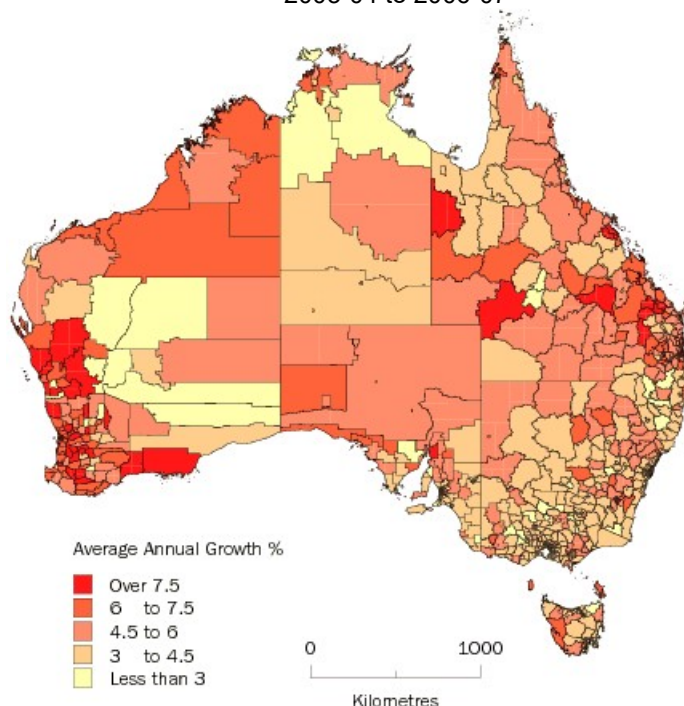
Region	Capital City SD		Balance of State/Territory		State/Territory	
	Average Annual Growth %	Standard Deviation %	Average Annual Growth %	Standard Deviation %	Average Annual Growth %	Standard Deviation %
New South Wales	4.2	1.5	4.2	0.8	4.2	1.1
Victoria	3.8	0.6	3.9	1.0	3.8	0.9
Queensland	5.3	1.0	5.5	1.3	5.4	1.2
South Australia	3.9	0.6	4.4	1.2	4.0	1.1
Western Australia	6.2	0.9	6.2	2.8	6.2	2.5
Tasmania	3.9	0.2	4.1	1.0	4.0	1.0
Northern Territory	4.5	0.9	4.5	1.5	4.5	1.2
Australian Capital Territory	4.7	0.9	5.4	n/a	4.7	0.9

In contrast, Sydney SD, with an average annual growth rate of 4.2% - equal to that of New South Wales (Balance of State) - had a larger variation in growth rates as shown by a higher standard deviation (1.5%, compared with 0.8% for the rest of the state).

REGIONAL VARIATIONS IN AVERAGE ANNUAL GROWTH RATES

Which Statistical Local Areas experienced the highest growth in average Wage and Salary income between 2003-04 and 2006-07? Map 1 shows significant variations in average annual growth rates across Australia.

MAP 1. GROWTH OF AVERAGE INCOME FROM WAGES AND SALARIES, Statistical Local Areas, Australia, 2003-04 to 2006-07



The vast majority of SLAs with the highest average annual growth rate of average Wage and salary income between 2003-04 and 2006-07 were located in Western Australia and Queensland. In Western Australia, these included over twenty inland and coastal SLAs surrounding Perth that offered semi-rural or rural lifestyles within 2-3 hours drive of the city (e.g. the SLAs of Wandering, Cuballing, Boddington and Dandaragan) and also the remote mining area of Ravensthorpe in the state's south east. In Queensland, many of the areas of highest growth were associated with emerging energy resource sectors (e.g. Dalby-Chinchilla in the state's Western Downs region and Barcoo in the state's south-west). Other SLAs with high growth rates were located in Queensland's Central Highlands and in Mackay (which contains much of the region's engineering, manufacturing and mining services industries).

However, high growth rates do not necessarily equate to high incomes. For example, whilst the SLA of Kojonup (in Western Australia's wheatbelt) experienced a 8.6% average annual increase in average Wage and salary income between 2003-04 and 2006-07, by the end of the period the average annual income in the area was just \$29,552 (well below the national average of \$42,081). Some SLAs with high average Wage and salary incomes experienced low average annual growth rates, while other regions recorded both low incomes and low growth rates in average Wages and salaries. Table 3 presents a selection of SLAs that fall into each of these four categories. SLAs were grouped according to whether their average annual incomes in 2006-07 fell in the top or bottom 20% of SLAs and whether their average annual growth rate in average Wages and salaries was above or below the Australian rate of 4.5%.

Table 3. Selected Statistical Local Areas by Average Annual Income and Growth Rate

	High Income(a)	Low Income(b)
High Growth(c)	Mosman (A) (New South Wales) Cottesloe (T) (Western Australia) Balmoral (Queensland) Mount Isa (C) (Queensland)	Bundaberg (R) - Kolan (Queensland) Acton (Australian Capital Territory) Cook (S) (Queensland) Denmark (S) (Western Australia)
Low Growth(d)	Baulkham Hills (A) - South (New South Wales) Red Hill (Australian Capital Territory) Stonnington (C) - Malvern (Victoria) Burnside (C) - North-East (South Australia)	Loddon (S) - North (Victoria) Dorset (M) (Tasmania) Tenterfield (A) (New South Wales) The Coorong (DC) (South Australia)

(a) Average Annual Income in 2006/07 in top Quintile (above \$45,809)

(b) Average Annual Income in 2006/07 in bottom Quintile (below \$32,330)

(c) Average Annual Growth Rate in Wages and salaries between 2003/04 and 2006/07 above national rate (4.5%)

(d) Average Annual Growth Rate in Wages and salaries between 2003/04 and 2006/07 below national rate (4.5%)

High income/high growth regions included Mt Isa (C), in north-west Queensland. Mt Isa had an average income of \$52,416 in 2006-07, and an average annual growth rate in average income of 7.5%.

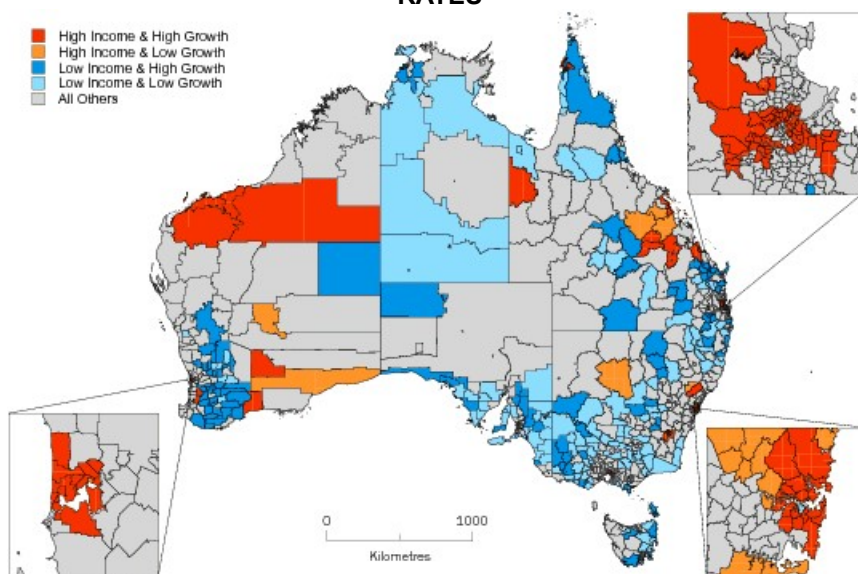
Stonnington (C) - Malvern SLA, in Melbourne's south-east, is an example of a high income/low growth region, with an average annual income of \$59,188 in 2006-07, but an average annual growth rate of just 3.9%.

Some regions recorded high growth rates, while remaining low income regions. Denmark SLA (in Western Australia's south-west), is an example of a low income/high growth region, recording an income of \$29,822 in 2006-07 following an average annual growth rate of 7.4%.

Other regions recorded both low income and low growth rates in this period. For example, Loddon - North (in north-west Victoria) was a low income/low growth region, with an average income of \$25,800 in 2006-07 and an average annual growth rate of 2.9%.

Map 2 shows the geographical distribution of all SLAs in Australia according to the four income/growth categories in Table 3. Regions with high average annual incomes and high average annual growth rates include SLAs in the metropolitan areas of Brisbane, Perth and Sydney and remote mining areas in Western Australia and Queensland. Regions with low average annual incomes and high average annual growth rates include: the Far North and central Queensland; SLAs north-west and south-west of Perth; SLAs in western Victoria; parts of the Murray-Darling region of New South Wales; and SLAs in the mid-north and west coast of South Australia.

Map 2. STATISTICAL LOCAL AREAS BY AVERAGE WAGE AND SALARY INCOME 2006-07 AND GROWTH RATES



WESTERN AUSTRALIA: A REGIONAL ANALYSIS

As shown in this article, Western Australia recorded the highest growth in average annual Wage and salary income of all states and territories between 2003-04 and 2006-07. Also during this period:

- Western Australia's Estimated Resident Population increased by 2.1% per annum, compared to 1.5% for Australia ([Australian Demographic Statistics, June 2009](#), cat. no. 3101.0)
- the state's unemployment rate fell from 5.1% (in June 2004) to 3.6% (in June 2007) ([Labour Force, Australia, Jan 2010](#), cat. no. 6202.0)
- Gross State Product rose by 14.7% per annum, making Western Australia the fastest growing economy of all states and territories ([Australian National Accounts: State Accounts, 2008-09, Dec 2009](#), cat. no. 5220.0).

In this section, variations in average annual growth rates will be explored in greater detail at the small area level, specifically in relation to Statistical Divisions (SDs) and Statistical Local Areas (SLAs) in Western Australia.

Table 4 shows that average annual growth rates between 2003-04 and 2006-07 were relatively high for all regions in Western Australia, ranging from 5.8% for South Eastern SD (a vast, mostly desert or semi-desert region incorporating mining centres such as Kalgoorlie and the coastal port of Esperance) to 6.6% for the SD of Midlands (traditionally an agricultural region that is becoming increasingly attractive for people seeking a rural lifestyle with

close proximity to Perth).

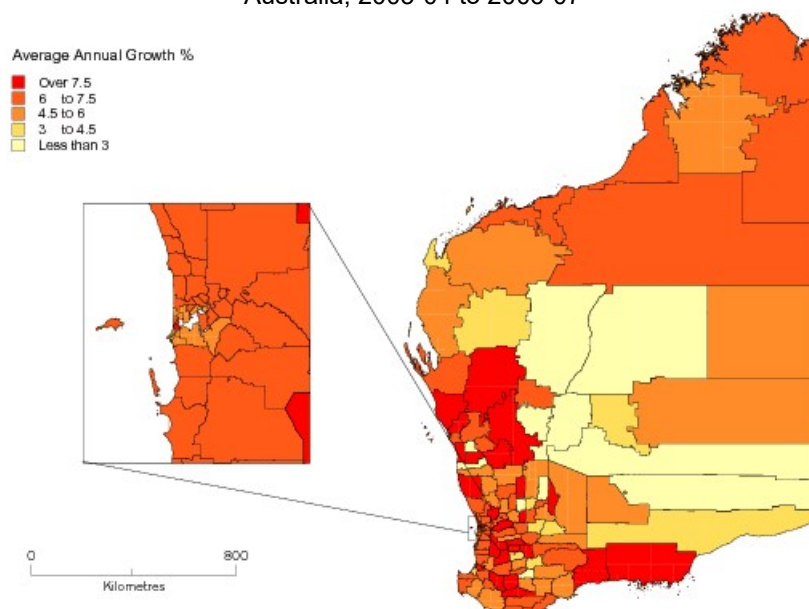
Table 4. Wages and salaries for Statistical Divisions, Western Australia, 2003-04 to 2006-07

Region	Average Annual Income				Average Annual Growth Rate %	Standard Deviation %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$		
Australia	36 889	38 607	40 276	42 081	4.5	1.5
Western Australia	36 048	38 219	40 575	43 226	6.2	2.4
<i>Perth SD</i>	36 523	38 712	41 095	43 785	6.2	0.9
<i>WA Balance</i>	34 553	36 679	38 932	41 428	6.2	2.8
South West SD	33 120	35 502	37 890	39 965	6.5	1.2
Lower Great Southern SD	27 293	28 950	30 779	32 526	6.0	1.7
Upper Great Southern SD	25 534	27 179	28 487	30 698	6.3	2.3
Midlands SD	29 468	31 463	33 377	35 672	6.6	2.5
South Eastern SD	40 640	43 084	45 171	48 146	5.8	6.4
Central SD	31 716	33 555	35 527	37 928	6.1	2.9
Pilbara SD	51 883	54 132	57 784	62 381	6.3	0.7
Kimberley SD	33 912	36 087	37 891	40 805	6.4	0.7

However, there were substantial variations in growth rates within SDs, as shown by the standard deviations for each region. The South Eastern SD recorded the greatest variation in average annual growth rates: from 2.9% for the SLA of Menzies (a former gold mining area) to 24.2% for Ravensthorpe, where the establishment of a nickel mine in 2005 coincided with a significant increase in average annual income from Wages and salaries (from \$25,999 in 2003-04 to \$49,083 in 2006-07).

Map 3 shows variations in average annual growth rates between SLAs in Western Australia. Regions that recorded average annual growth rates above 8% between 2003-04 and 2006-07 included: the SLAs of Dandaragan, Irwin, Yalgoo and Murchison north of Perth; the SLAs of Boddington, Wandering, Cuballing and Kojonup in the state's south-east; and Mosman Park SLA in Perth.

Map 3. GROWTH AND AVERAGE INCOME FROM WAGES AND SALARIES, Statistical Local Areas, Western Australia, 2003-04 to 2006-07



To demonstrate how these data can be used to further explore regional variations in Wage and salary income, this article will now focus on the Statistical Division of South West. This region includes major urban centres such as Mandurah and Bunbury, and has a diverse economic base, incorporating a wide range of agricultural, mining, processing, manufacturing, tourist and service activities.

Table 5 shows that, in 2006-07, average annual incomes in the South West SD ranged from \$31,424 in the SLA of Manjimup (comprising a national park/state forest, timber mills and an extensive fruit and vegetable industry) to \$49,064 in Boddington SLA (a 90 minute drive from Perth, with a strong agricultural base, an increasing number of

lifestyle/hobby farms and - most recently - expansion of gold mining activity in the region). Boddington also recorded the highest average annual growth rate in average Wage and salary income - 9.2% - in the South West SD.

Table 5. Average Wages and Salaries, South West Statistical Division, 2003-04 to 2006-07

Region	Average Annual Income				Average Annual Growth Rate %	No. Wage and salary earners 2006-07 no.
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$		
Mandurah	34 715	37 157	40 290	42 254	6.8	23 557
Mandurah (C)	34 673	37 076	40 242	42 130	6.7	23 692
Murray (S)	34 909	37 538	40 518	42 809	7.0	5 265
Bunbury	34 973	37 562	39 590	41 557	5.9	24 101
Bunbury (C)	34 419	36 992	38 915	40 570	5.6	14 870
Capel (S) - Pt A	34 350	36 931	38 872	40 448	5.6	3 163
Dardanup (S) - Pt A	35 754	37 530	40 099	42 539	6.0	4 071
Harvey (S) - Pt A	36 216	39 387	41 284	43 795	6.5	6 340
Preston	35 248	37 265	39 878	42 190	6.2	13 361
Boddington (S)	37 709	41 944	46 415	49 064	9.2	608
Capel (S) - Pt B	33 867	35 227	37 090	38 413	4.3	1 928
Collie (S)	40 226	41 867	44 713	46 960	5.3	4 016
Dardanup (S) - Pt B	33 172	36 377	39 331	42 314	8.5	1 215
Donnybrook-Balingup (S)	29 955	32 327	33 782	36 046	6.4	2 140
Harvey (S) - Pt B	33 276	35 296	37 963	40 410	6.7	3 685
Waroon (S)	36 246	38 313	41 660	44 521	7.1	1 502
Vasse	27 951	30 323	32 003	34 169	6.9	14 400
Augusta-Margaret River (S)	27 165	29 408	31 160	33 226	6.9	5 177
Busselton (S)	28 311	30 732	32 370	34 586	6.9	11 691
Blackwood	27 794	29 624	31 255	33 349	6.3	6 802
Boyp Brook (S)	25 904	28 530	29 740	32 711	8.1	592
Bridgetown-Greenbushes (S)	30 851	32 311	35 117	37 847	7.1	1 827
Manjimup (S)	26 624	28 492	29 584	31 424	5.7	4 210
Nannup (S)	29 196	30 564	33 200	33 847	5.1	529

This article is accompanied by a range of data on age, sex, occupation and income for those deriving income from Wages and salaries for the years 2003-04 to 2006-07. These data can be used to explore, for example, variations across different occupational and income groups at the regional level.

Figure 1 compares the proportion of Wage and salary earners in Australia, Western Australia and the South West SD that fall into the 2006 Census categories of Lower (less than \$20,800 average annual income), Medium (\$20,800-\$52,000) and Higher (over \$52,000) Incomes (A Picture of the Nation: the Statistician's Report on the 2006 Census, 2006, cat. no. 2070.0) (Note: the Higher Income category has been further divided into those earning average annual incomes above and below \$83,200). For Australia, Western Australia and South West SD, the proportion of those in the lower and medium income groups fell between 2003-04 and 2006-07. Over the same period, the proportion of Wage and salary earners in the higher (including very high) income brackets has increased. This has particularly been the case for those earning more than \$83,200; the proportion of Wage and salary earners in this category increased from 5.6% in 2003-04 to 10.6% in 2006-07 for Western Australia, and from 4.2% to 10.1% for the South West SD.

Figure 1. Proportion of Wage and salary earners by Income range: Australia, Western Australia and South West Statistical Division, 2003-04 and 2006-07



Table 6 shows that this increase in the number of high income earners has occurred in all Statistical Subdivisions (SSDs) within the South West SD, with the largest increases in the SSDs of Mandurah and Preston.

Table 6. Individuals with Average Wage and salary income over \$83 200, South West SD, 2003-04 to 2006-07

Region	Proportion of Wage and salary Earners			
	2003-04 %	2004-05 %	2005-06 %	2006-07 %
Australia	5.4	6.3	7.3	8.6
Western Australia	5.6	7.0	8.6	10.6
South West SD	4.2	5.7	8.1	10.0
Mandurah SSD	5.2	7.0	10.3	12.9
Bunbury SSD	4.4	6.1	8.2	9.8
Preston SSD	5.1	6.6	10.2	12.6
Vasse SSD	2.8	3.6	4.6	5.6
Blackwood SSD	1.6	2.6	3.4	4.8

Table 7 presents similar data at the Statistical Local Area (SLA) level, and shows the proportion of Wage and salary earners with average annual incomes over \$83,200 has increased in all SLAs within the Mandurah and Preston SSDs. This article will focus on the more populated SLAs of Mandurah and Collie.

Table 7. Individuals with Average Wage and Salary Income over \$83,200 by SLA

Region	Percentage of all W&S Earners >\$83,200				Number of W&S Earners >\$83,200			
	2003-04 %	2004-05 %	2005-06 %	2006-07 %	2003-04 no.	2004-05 no.	2005-06 no.	2006-07 no.
Mandurah								
Mandurah (C)	5.3	7.0	10.3	12.9	1 018	1 443	2 277	3 045
Murray (S)	4.9	7.1	10.5	13.2	208	315	498	693
Preston								
Boddington (S)	4.0	10.5	15.1	18.9	20	55	83	115
Capel (S) - Pt B	3.4	4.7	6.5	7.3	57	84	121	140
Collie (S)	10.3	11.5	17.0	19.7	377	428	667	793
Dardanup (S) - Pt B	3.3	5.7	8.1	11.2	35	62	94	136
Donnybrook-Balingup (S)	2.4	3.8	5.3	7.3	45	75	110	156
Harvey (S) - Pt B	3.0	4.3	7.2	9.5	96	145	254	351
Waroona (S)	3.5	5.2	10.1	14.2	48	74	150	214

Both SLAs of Mandurah and Collie experienced a significant increase in the number and proportion of Wage and salary earners with average annual incomes greater than \$83,200 between 2003-04 and 2006-07. Almost 20% of Wage and salary earners in Collie and 13% of those in Mandurah now fall into this income group. Mandurah is a rapidly growing coastal city located 74km south of Perth. It is the most populous centre in the South West region, with an estimated resident population of 61,624 in June 2007; an increase of 3.9 per cent from the previous year ([Regional Population Growth, Australia, 2007-08](#), cat. no. 3218.0). The area features a marina and man-made canals, and serves as a commuter town for people working at the Aluminium Refinery in Pinjarra, in the heavy industry at Kwinana, and those making the daily commute north to Perth. Collie is home to two major coal mining

companies, a power station and bauxite refinery. The area is currently undergoing further industrial expansion, although during the period 2004-07, Collie's population was relatively stable.

A closer examination of the incomes earned by these occupational groups (and how they have changed over time) reveal significant regional variations.

Table 8. Individuals Earning Average Annual Wages and Salaries over \$83,200 by Occupation, 2003-04 and 2006-07

Occupation	Mandurah SLA		Collie SLA		South West SD		Western Australia		Australia	
	2003-04 %	2006-07 %	2003-04 %	2006-07 %	2003-04 %	2006-07 %	2003-04 %	2006-07 %	2003-04 %	2006-07 %
Managers & Administrators	12.7	21.8	15.4	23.5	9.6	16.8	15.2	24.6	17.9	24.4
Professionals	7.7	14.9	6.1	11.1	6.4	12.0	10.3	16.7	10.3	15.3
Associate Professionals	8.4	15.8	10.2	16.7	7.5	13.8	7.3	13.8	7.2	11.1
Tradespersons and Related Workers	6.9	23.1	18.2	34.5	6.4	19.2	6.4	15.5	3.8	8.3
Advanced Clerical & Service Workers	1.2	3.0	-	-	1.0	2.0	1.4	2.7	1.8	3.2
Intermediate Clerical, Sales & Service Workers	1.1	1.8	2.1	1.9	0.8	1.3	1.1	2.2	1.4	2.3
Intermediate Production & Transport Workers	8.5	24.5	22.2	43.5	6.8	19.9	7.6	16.6	4.4	8.8
Elementary Clerical, Sales & Service Workers	-	0.6	-	-	0.6	0.3	0.2	0.6	0.3	0.5
Labourers & Related Workers	2.5	9.8	3.6	5.4	1.5	5.2	1.7	4.3	1.1	2.2
Not Stated	5.8	12.2	9.1	16.5	4.7	9.8	4.1	8.2	4.1	6.9

- nil or rounded to zero (including null cells)

Table 8 shows that, when compared to Wage and salary earners across Australia, a higher proportion of people employed as Intermediate production and transport workers and Tradespersons in Western Australia receive average annual incomes greater than \$83,200. The proportion was even higher for Wage and salary earners living in the South West SD, and especially in the SLAs of Mandurah and Collie. For example, almost 44% of people employed as Intermediate Production and Transport workers in Collie earned more than \$83,200 in Wages and salaries in 2006-07 (this increased from 22% in 2003-04). Over 34% of Tradespersons in Collie also fell into this group (up from 18% in 2003-04). Although the proportions are not as high, a similar pattern can be also detected in the SLA of Mandurah. This is likely indicative of the high Wages and salaries offered to those working in the mining and resource sectors in many regions of Western Australia during this period.

New South Wales



NEW SOUTH WALES

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

The SLA of Mosman, on Sydney Harbour's northern shore, had the highest average Wage and salary income in Australia in 2006-07, and also recorded one of the highest average annual growth rates in Wages and salaries (over 9%) between 2003-04 and 2006-07. Neighbouring SLAs of North Sydney, Woollahra (in Sydney's east), Hunters Hill (on the lower north shore) and Ku-ring-gai (in Sydney's north) recorded average Wage and salary incomes greater than \$71,000 in 2006-07.

Of those SLAs outside the Sydney SD with the highest average Wage and salary incomes, Singleton and Muswellbrook are both located in the Hunter Valley region north-west of Sydney. Both have strong industrial sectors based on coal mining and electricity generation. The economy of Cobar - in North Western SD - is built around its copper, zinc, lead, silver and gold mining industries. Whilst located in New South Wales, Queanbeyan and Palerang (Pt A), are both within commuting distance of the nation's capital, Canberra, and have more than half of their employed persons in managerial, professional or clerical/administrative occupations, according to 2006 Census data.

Top Average Wages and Salaries, New South Wales

Average Annual Income

Top 5 SLAs(a)	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	Average Annual Growth Rate %
Sydney SD					
Mosman (A)	82 001	88 300	93 645	106 397	9.1
Woollahra (A)	66 611	72 418	75 520	85 225	8.6
Hunters Hill (A)	64 293	72 529	78 225	77 798	6.6
North Sydney (A)	62 997	66 534	68 788	72 939	5.0
Ku-ring-gai (A)	61 943	65 452	67 516	71 371	4.8
<i>Sydney SD</i>	<i>42 811</i>	<i>44 799</i>	<i>46 425</i>	<i>48 428</i>	<i>4.2</i>
Balance of NSW					
Singleton (A)	45 226	46 072	48 918	51 804	4.6
Queanbeyan (C)	40 966	44 040	45 455	48 213	5.6
Muswellbrook (A)	42 085	43 780	46 174	48 042	4.5
Palerang (A) - Pt A	40 711	43 105	45 353	47 337	5.2
Cobar (A)	41 264	42 604	44 202	46 343	3.9
<i>Balance of NSW(b)</i>	<i>33 360</i>	<i>34 774</i>	<i>36 307</i>	<i>37 717</i>	<i>4.2</i>

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'NSW Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Victoria



VICTORIA

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

The SLAs with the highest average Wage and salary incomes in Melbourne SD were located in areas around Port Philip Bay (incorporating the suburbs of Brighton, Port Melbourne and Albert Park) and the eastern suburbs of Prahran, Kew and Malvern.

Outside of Melbourne SD, high average Wage and salary incomes were recorded for two SLAs within the Macedon Ranges district, north-east of the capital. This region offers a semi-rural lifestyle close to Melbourne, with many residents commuting to the city for work. Newtown is an inner residential suburb of Geelong, which is the largest provincial centre in Victoria and a manufacturing, transportation and service hub. The SLA of Traralgon is located in the state's Latrobe Valley, east of Melbourne, and is the home of most of the state's power generation facilities and a paper mill.

Top Average Wages and Salaries, Victoria

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Melbourne SD					
Bayside (C) - Brighton	58 526	62 022	63 948	66 283	4.2
Port Phillip (C) - West	55 578	58 945	61 327	63 445	4.5
Stonnington (C) - Prahran	53 089	55 468	56 955	60 141	4.2
Boroondara (C) - Kew	50 911	54 800	56 938	59 474	5.3
Stonnington (C) - Malvern	52 791	55 056	56 917	59 188	3.9
<i>Melbourne SD</i>	<i>38 762</i>	<i>40 368</i>	<i>41 840</i>	<i>43 302</i>	<i>3.8</i>
Balance of Victoria					
Macedon Ranges (S) Bal	40 402	42 459	43 773	45 386	4.0
Newtown	39 071	40 661	42 254	43 538	3.7
Latrobe (C) - Traralgon	37 825	39 157	41 181	43 026	4.4
Macedon Ranges (S) - Romsey	37 497	39 075	40 900	42 050	3.9

Greater Geelong (C) - Pt C	37 451	38 894	40 106	41 666	3.6
Balance of Vic(b)	31 412	32 720	34 041	35 188	3.9

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'Vic Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Queensland



QUEENSLAND

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

Within the Brisbane SD, the SLAs with the highest average Wage and salary incomes are located immediately north and south of the Brisbane River. These include the inner northern areas of Ascot and Hamilton, and on the southern banks of the river, the SLAs of Bulimba and Hawthorne (Balmoral is an adjoining inner suburb). These SLAs were also characterised by relatively high growth in Wage and salary incomes over the four year period to June 2007.

The top five SLAs outside the Brisbane SD are all located along - or near - the central coast of Queensland, south-west of Mackay and Rockhampton. The SLAs that constitute the Isaac Regional Council (Broadsound, Belyando and Nebo) are noted for their varied mix of economic activities, including coal mining, cattle grazing, agriculture (including sugar cane and grain). Peak Downs and Duaringa SLAs are both located in the Central Highlands region of the state and their main activities include coal mining, grain production and beef farming.

In 2006-07, four of the top five SLAs in Balance of Queensland recorded average Wage and salary incomes higher than any SLAs in the Brisbane Statistical Division.

Top Average Wages and Salaries, Queensland

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Brisbane SD					
Ascot	49 202	52 267	55 347	58 703	6.1
Hamilton	49 202	52 280	55 342	58 695	6.1
Bulimba	46 141	48 703	52 965	57 229	7.4
Hawthorne	46 154	48 708	52 959	57 229	7.4
Balmoral	46 143	48 718	52 944	57 225	7.4
Brisbane SD	35 775	37 461	39 597	41 720	5.3
Balance of Queensland					
Isaac (R) - Broadsound	55 207	59 400	60 885	62 133	4.0
Isaac (R) - Belyando	53 436	56 529	56 868	60 113	4.0
Central Highlands (R) - Peak Downs	51 379	54 993	56 950	59 864	5.2
Central Highlands (R) - Duaringa	50 731	54 490	57 800	59 370	5.4
Isaac (R) - Nebo	50 328	54 518	54 138	56 963	4.2
Balance of Qld(b)	32 243	33 944	35 879	37 867	5.5

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'Qld Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

South Australia



SOUTH AUSTRALIA

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

In each of the four years 2003-04 to 2006-07, Roxby Downs - a mining town located in the Far North of South Australia - has recorded the highest average Wage and salary income in South Australia. The town was purpose-built to service the Olympic Dam mine which produces copper, uranium, gold and silver. The vast geographic area that spans the north of the state (encompassing the Flinders Ranges and Far North regions), and the major regional centres of Whyalla and Port Augusta, make up the top five SLAs outside the Adelaide SD.

Within the Adelaide Statistical Division, SLAs with high average Wages and salaries include the inner southern areas of Unley and Mitcham, Burnside in the city's east, and Walkerville in the inner north.

Top Average Wages and Salaries, South Australia

	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Top 5 SLAs(a)					
Adelaide SD					
Unley (C) - East	42 725	44 661	46 673	48 268	4.1
Mitcham (C) - North-East	40 953	43 874	45 642	47 927	5.4
Burnside (C) - South-West	42 387	45 095	46 366	47 704	4.0
Burnside (C) - North-East	41 935	43 920	45 053	46 733	3.7
Walkerville (M)	43 588	44 389	45 868	46 457	2.1
Adelaide SD	34 728	36 229	37 521	38 936	3.9
Balance of South Australia					
Roxby Downs (M)	52 284	54 539	57 166	61 633	5.6
Unincorp. Flinders Ranges	39 191	41 352	41 760	45 073	4.8
Whyalla (C)	37 160	38 843	40 585	43 338	5.3
Unincorp. Far North	36 592	37 588	39 116	43 043	5.6
Port Augusta (C)	34 059	34 906	36 421	38 978	4.6
Balance of SA(b)	30 357	31 586	32 894	34 534	4.4

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'SA Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Western Australia



WESTERN AUSTRALIA

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

In 2006-07, the SLAs with the highest average Wage and salary incomes were located in Perth's central metropolitan areas adjoining or near the coast and/or Swan River (Peppermint Grove, Cottesloe, Nedlands, Subiaco, Claremont). Between 2003-04 and 2006-07, average annual growth rates exceeded 7% for the

neighbouring SLAs of Peppermint Grove and Cottesloe.

Outside the Perth SD, the top five SLAs are all associated with Western Australia's mining and resource industries. Iron ore mining, salt production, oil, natural gas, pastoralism, fishing and tourism are key industries in the far northern SLAs of Ashburton, Roebourne, Port Hedland and East Pilbara, whilst Coolgardie (near Kalgoorlie in the state's east) is associated with gold and nickel mining, and its pastoral industries.

Top Average Wages and Salaries, Western Australia

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Perth SD					
Peppermint Grove (S)	53 389	57 327	63 514	66 263	7.5
Cottesloe (T)	53 117	57 052	63 083	65 692	7.3
Nedlands (C)	52 055	54 771	57 258	60 575	5.2
Subiaco (C)	49 813	53 261	56 063	59 699	6.2
Claremont (T)	51 334	53 447	56 844	58 911	4.7
Perth SD	36 523	38 712	41 095	43 785	6.2
Balance of Western Australia					
Ashburton (S)	55 873	56 695	62 112	64 920	5.1
Roebourne (S)	52 582	53 713	58 352	63 418	6.4
East Pilbara (S)	51 221	55 716	58 422	61 555	6.3
Port Hedland (T)	49 231	52 646	54 475	59 967	6.8
Coolgardie (S)	50 164	53 886	55 187	57 565	4.7
Balance of WA(b)	34 553	36 679	38 932	41 428	6.2

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'WA Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Tasmania



TASMANIA

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

The SLA of West Coast (M) had the highest average Wage and salary income in Tasmania 2006-07 (\$41,213). This SLA is outside the Greater Hobart SD, and incorporates the inland population centres of Queenstown, Zeehan and Tullah. The region is known for its tourism, mining and fishing industries. In the Greater Hobart SD, Hobart (C) - Inner had the highest average Wage and salary income in 2006-07 (\$41,300).

Top Average Wages and Salaries, Tasmania

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Greater Hobart SD					
Hobart (C) - Inner	36 546	37 711	39 474	41 300	4.2
Hobart (C) - Remainder	36 520	37 633	39 398	40 834	3.8
Kingborough (M) - Pt A	33 810	34 987	36 049	37 709	3.7
Clarence (C)	33 014	34 274	35 896	37 242	4.1
Sorell (M) - Pt A	30 131	30 806	32 089	34 172	4.3
Greater Hobart SD	33 021	34 118	35 660	37 065	3.9

Balance of Tasmania					
West Coast (M)	34 377	37 512	39 599	41 213	6.2
George Town (M) - Pt B	32 871	34 080	35 099	36 456	3.5
Launceston (C) - Inner	32 515	33 752	35 258	36 418	3.9
Meander Valley (M) - Pt A	32 137	33 674	34 795	36 156	4.0
West Tamar (M) - Pt A	32 031	33 447	34 837	35 996	4.0
<i>Balance of Tas(b)</i>	<i>30 091</i>	<i>31 199</i>	<i>32 527</i>	<i>33 898</i>	<i>4.1</i>

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'Tas Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Northern Territory



NORTHERN TERRITORY

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

The three SLAs with the highest average annual incomes in 2006-07 were all located in remote areas outside the Darwin SD. Alyangula, a harbour on Groote Eylandt, is where ore from the island's manganese mine is exported; Nhulunbuy, on Gove Peninsula, supports an alumina refinery and bauxite mining operation; whilst Jabiru is a dormitory town for workers of the Ranger Uranium Mine (it also serves as the accommodation and commercial hub for Kakadu National Park). Katherine is the Territory's fourth most populated town and a major regional service centre.

Within the Darwin SD, the top five SLAs recorded very similar average annual incomes in 2006-07.

Top Average Wages and Salaries, Northern Territory

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Darwin SD					
Parap	43 393	46 665	48 707	49 278	4.3
Fannie Bay	43 407	46 692	48 658	49 206	4.3
Narrows	43 403	46 746	48 698	49 201	4.3
Ludmilla	43 360	46 678	48 656	49 189	4.3
Bayview-Woolner	43 330	46 648	48 591	49 168	4.3
<i>Darwin SD</i>	<i>39 437</i>	<i>42 222</i>	<i>43 723</i>	<i>45 014</i>	<i>4.5</i>
Balance of Northern Territory					
Alyangula	56 179	60 620	62 472	62 115	3.4
Nhulunbuy	47 507	50 701	55 879	58 744	7.3
West Arnhem (S) - Jabiru	41 040	46 018	49 638	50 216	7.0
East Arnhem (S)	38 226	39 180	42 698	44 710	5.4
Katherine (T)	36 458	38 149	39 547	40 779	3.8
<i>Balance of NT(b)</i>	<i>34 466</i>	<i>35 983</i>	<i>37 618</i>	<i>39 278</i>	<i>4.5</i>

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'NT Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

Australian Capital Territory



AUSTRALIAN CAPITAL TERRITORY

TOP AVERAGE WAGE AND SALARY INCOME REGIONS, 2006-07

The SLAs with the highest Wage and salary income in the Australian Capital Territory in 2006-07 were all clustered south or south-east of the centre of Canberra.

Top Average Wages and Salaries, Australian Capital Territory

Top 5 SLAs(a)	Average Annual Income				Average Annual Growth Rate %
	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$	
Canberra SD					
Forrest	54 816	59 208	59 302	61 208	3.7
Red Hill	54 802	59 187	59 309	61 154	3.7
Griffith	54 612	58 907	59 189	61 048	3.8
Kingston	52 886	56 496	58 380	60 172	4.4
Narrabundah	52 903	56 487	58 367	60 165	4.4
<i>Canberra SD</i>	<i>42 841</i>	<i>45 392</i>	<i>47 071</i>	<i>49 122</i>	<i>4.7</i>
<i>Balance of ACT(b)</i>	<i>40 061</i>	<i>43 031</i>	<i>44 503</i>	<i>46 868</i>	<i>5.4</i>

(a) Top 5 SLAs exclude regions with less than 100 Wage and salary earners

(b) Excludes SLA 'ACT Unknown'

For more information about these regions, refer to the ABS [National Regional Profile \(NRP\)](#). The NRP presents, for all Australia, a range of data for various types of small regions. Data are available for Local Government Areas, Statistical Local Areas and other larger geographies. The NRP is intended for users interested in the characteristics of regions and in comparing regions across Australia. Data are presented as a five year time series, where available.

About this Release

These data cubes contain various cross-tabulations of the characteristics of wage and salary earners such as age, sex, occupation and wage and salary income for the years 2003-04 to 2006-07. Most of the data in these tables are presented for each Statistical Local Area (SLA) and Local Government Area (LGA) in Australia. These data have been compiled from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and are part of the Australian Bureau of Statistics' (ABS) program to increase the range of regional statistics available, particularly through the use of administrative information from other government agencies.

History of Changes

This document was added or updated on 23/02/2011.

23/02/2011 Tables 8.1A, 8.1B and 8C were replaced due to incorrect data for the number of Wage and salary earners by Occupation (Minor Groups) for 2003-04.

Explanatory Notes

Explanatory Notes

EXPLANATORY NOTES

INTRODUCTION

1 This release contains estimates relating to all persons who received income from Wages and salaries in the years 2003-04 to 2006-07. This represents a change from the data previously released under this catalogue number for the years 2003-04 to 2005-06. The previous series related to persons whose main (or principal) source of income was from Wages and salaries. In addition, there has been a change in the definition of Wage and salary income in this issue. The ABS has obtained data for the years 2003-04 to 2005-06 on the new basis to provide a time series for the years 2003-04 to 2006-07. Users should exercise caution in comparing data in this release with data in previous issues. Refer to the [Summary of Changes](#) (Paragraphs 5 to 9) for further information about these changes to the series.

2 The estimates in this release include the number of persons, their income from Wages and salaries, and characteristics such as age, sex and occupation. Key data items in this series (number of persons, income and average income) have already been released in [Estimates of Personal Income for Small Areas, Time Series, 2003-04 to 2006-07](#) (cat. no. 6524.0.55.002).

3 Data is presented at various levels of the Australian Standard Geographical Classification (ASGC), including Statistical Local Areas (SLAs) and Local Government Areas (LGAs), in each state and territory of Australia. Paragraphs 35 to 44 contain more information about [Statistical Geography](#).

4 These data have been compiled from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and are part of the Australian Bureau of Statistics' (ABS) program to increase the range of regional statistics available, particularly through the use of administrative information collected by other government agencies. The ABS wishes to acknowledge the ATO which provided data used in compiling the statistics presented in this publication.

SUMMARY OF CHANGES

5 Estimates of Wage and salary earner statistics for the years 1995-96 to 2005-06 have previously been released in an Information Paper and in Regional Wage and Salary Earner Statistics, Australia (cat. nos. [5673.0](#), [5673.0.55.001](#) and [5673.0.55.003](#)). These releases contained data relating to persons whose main (or principal) sources of income were from Wages and salaries.

6 Data for 1995-96 to 2000-01 included only 'Gross Wage and salary income' and 'Allowances, tips etc' items from the individual tax return. Data for 2001-02 to 2005-06 included 'Attributable personal services income' in the definition of Wages and salaries.

7 In this current release, containing estimates for the years 2003-04 to 2006-07, income from Lump sums and Eligible termination payments has now been included in Wages and salaries.

8 A summary of the changes to the Wage and salary earner series since the 1995-96 financial year are presented in the table below:

Release	Reference Period	Scope	Wages and salaries inclusions
5673.0	1995-96 to 1996-97	Persons who main source of income was from Wages and salaries	Gross wage and salary income
5673.0.55.001	1995-96 to 2000-01	Persons who main source of income was from Wages and salaries	Allowances, commissions, tips, etc. Gross wage and salary income
5673.0.55.003	2001-02 to 2005-06	Persons who main source of income was from Wages and salaries	Allowances, commissions, tips, etc. Gross wage and salary income
5673.0.55.003	2003-04 to 2006-07	All persons with income from Wages and salaries	Allowances, commissions, tips, etc. Attributed personal services income Gross wage and salary income Allowances, commissions, tips, etc. Attributed personal services income Lump sums Eligible termination payments

9 Changes in this issue, and the impact on the estimates, are discussed in more detail in the [Appendix](#) (Changes to this Series). As a guide, these changes resulted in an increase of almost 10% in the number of individuals receiving Wage and salary income, a 4% increase in total Wage and salary income, and around a 5% reduction in average Wage and salary income in each reference year.

CONFIDENTIALITY

10 All individual income tax statistics provided to the ABS by the ATO have been in aggregated form only, at the SLA level. Information about individual taxpayers has not been released to the ABS.

11 Prior to being provided to the ABS, the statistics have also been subjected to a confidentiality process that randomly adjusts table cells with small values. This includes altering some small cells to zero. Caution should therefore be exercised in deducing that there are no people in an area with certain characteristics and, in general, no reliance should be placed on table cells with small values. The confidentiality process prevents the risk of inadvertently releasing any information that may identify an individual while preserving the overall information value of the statistics.

SCOPE AND COVERAGE

12 The scope of these data relate to persons receiving income from Wages and salaries.

13 Wage and salary earners have been defined as:

persons aged 15 years and over who have submitted an individual income tax return and have received wage and salary income in that financial year.

14 Wage and salary income, as reported on the income tax return, includes:

- gross income as shown on the 'PAYG payment summary - individual non-business';
- allowances, commissions, bonuses, tips, gratuities, consultation fees, honoraria and other payments for services. Allowances and other earnings may include car, travel or transport allowances, allowances for tools, clothing or laundry and dirt, risk, meal or entertainment allowances;
- attributed personal services income;
- eligible termination payments; and
- lump sums.

15 It should be noted that this definition does not take account of whether wage and salary earners work on a full-time or part-time basis. Consequently, differences in the extent of part-time work may account for some differences in the number of wage and salary earners and average wage and salary incomes across regions. Similarly, average wage and salary incomes may be affected by overtime earnings and multiple job holdings.

DATA CONSIDERATIONS

16 There are several data considerations that users should be aware of when analysing the data. Overall, these are not viewed as being so severe that they would lead to the production of misleading information. Users are cautioned to be aware of these considerations and take them into account when analysing the results.

17 For the purposes of providing statistical measures for the entire population, the ATO database has some limitations in its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. Consequently, the coverage of low income earners is not complete in ATO records.

18 Generally, the ATO considers someone to be an Australian resident for tax purposes if they have either always lived in Australia or have come to Australia to live permanently, have been in Australia for more than half of the financial year (unless their usual home is overseas and they don't intend to live in Australia), have been in Australia continuously for six months or more and for most of that time have been in the one job and living in the same place, or are an overseas student enrolled in a course of study for more than six months duration.

Processing of tax returns

19 The data presented in this publication were compiled before the processing of all income tax returns for any given year may have been completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. Any returns lodged after this date are not included.

Therefore, for 2006-07, returns processed after 31 October 2008 are not included. This also applies for each of the previous three years of data presented in this release, so for 2005-06 data for example, returns processed after 31 October 2007 are not included.

20 Annual revised data is published by the ATO in Taxation Statistics, Personal Tax, Table 7 for selected income items. One of these items is 'Salary or wages'. Although this data item is different to the data contained in this release (as it does not include all the items listed in paragraph 14), it can be used to give an indication of the likely direction of change in the number of Wage and salary earners and total Wage and salary income as more tax returns are lodged.

21 As an example, Table 1 below shows that for the 2003-04 income year, an additional 4.2% of taxpayers earning income from 'Salary or wages' lodged their income tax returns in the three years after the initial processing cut off of 31 October 2005. This translated to a further 4.5% of 'Salary or wages' income being reported.

Table 1. Comparison of ATO Original and revised data - Number of 'Salary or wages' earners and total 'Salary or wages' income, 2003-04

Returns lodged as at	Number of Wage & Salary earners	% Change from October 2005	Total Income from Wages and salaries \$	% change from October 2005
31-Oct-05	8 435 280	-	305 009 561 208	-
31-Oct-06	8 658 015	2.9	313 953 461 851	2.9
31-Oct-07	8 747 130	3.7	317 085 266 107	4.0
31-Oct-08	8 793 750	4.2	318 675 652 655	4.5

22 Due to the later lodgement dates for a small portion of tax returns (as shown above) the data provided in this release slightly under-estimates the total taxable income for a given financial year.

Changes in taxation policy

23 The ATO provides information annually in Taxation Statistics on their website about changes that may affect taxation statistics. Changes relating to personal income tax are in each edition of Taxation Statistics.

24 For the income year 2006-07, the following changes were noted in Chapter 2 of Taxation Statistics:

- personal income tax cuts
- the increase in the low income tax offset from \$235 in 2005-06 to \$600 in 2006-07
- the abolition of the part-year tax-free threshold for individuals who ceased full-time education for the first time
- changes to the tax treatment of foreign income and some capital gains for temporary residents
- an increase in the amount you can claim for contributions to registered political parties, independent candidates and members from \$100 to \$1,500, and
- the entitlement to claim a tax offset if you have to pay the Medicare levy surcharge as a result of you or your spouse receiving a lump sum payment in arrears.

25 For the income year 2005-06, the following changes were noted in Chapter 2 of Taxation Statistics:

- personal income tax cuts
- the introduction of new measures such as the 30% child care tax rebate, the 25% entrepreneurs' tax offset, transitional incentives to contribute to superannuation, and
- transition to retirement rules - people aged over 55 can now access superannuation benefits without having to retire or leave their job.

26 For the income year 2004-05, the following changes were noted in Chapter 2 of Taxation Statistics:

- personal income tax cuts
- introduction of the mature age worker tax offset - workers aged 55 years and over may be entitled to the offset, based on the amount of income they received from working.

27 For the income year 2003-04, the following change was noted in Chapter 3 of Taxation Statistics:

- the Super Co-contribution, which replaced the superannuation tax offset for personal superannuation contributions.

COMPARISON WITH OTHER ABS INCOME DATA

Survey of Income and Housing

28 The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. The survey was conducted every year from 1994-95 to 1997-98, and then in 1999-2000, 2000-01 and 2002-03. From 2003-04, the survey is being conducted every two years. For further information about the concepts, definitions, methodology and estimation procedures used in the SIH, refer to Survey of Income and Housing, User Guide, 2005-06 (cat. no. 6553.0).

29 Data collected from SIH can be compared to ATO data published in this release for the years 2003-04 and 2005-06. Comparison of these two series can provide a means of assessing trends, establishing whether counts are of an expected magnitude and whether the distribution of income across the various sources is similar.

30 SIH produces estimates of current income as well as estimates of annual income in respect to the previous financial year. Current income refers to income being received at the time the data were collected from respondents. The data used in the following comparison are based on current income estimates as these are thought to provide a better picture of income earners, are more up to date and are generally reported more accurately than previous financial year estimates.

31 Differences exist between the two years of SIH data which should be taken into consideration, most significantly that the 2005-06 SIH was run as a stand alone survey, whereas the 2003-04 SIH was integrated with the Household Expenditure Survey (HES). This may have had an impact on response.

32 Table 2 presents comparable income data items from ATO data contained in this release and SIH data for 2003-04 and 2005-06. SIH estimates for both Wage and salary income were higher than ATO income data in both reference years.

Table 2. Comparison of ATO and SIH wage and salary income data^(a)

	2003-04 \$b	2005-06 \$b
ATO	316.9	364.5
SIH	330.1	383.6

(a) SIH data is current year estimates

33 The differences observed between the two sets of income data are likely to be as a result of different definitions, methodologies and reference periods.

34 Overall, these results suggest that the ATO income tax data contained in this release is generally consistent in magnitude with the estimates derived from the ABS Survey of Income and Housing.

Survey of Average Weekly Earnings

35 The Survey of Average Weekly Earnings (AWE) is a quarterly sample survey of employing businesses. For further information about the concepts, definitions and methodology of AWE, refer to Labour Statistics, Concepts, Sources and Methods (cat. no. 6102.0.55.001).

36 The Survey of Average Weekly Earnings collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Table 3 shows the ATO average Wages and salary income (all Wage and salary earners, all Wage and salary income) and 'average weekly total earnings for all employees jobs' from AWE.

Table 3. Comparison of ATO and AWE Total earnings^(a)

	2003-04 \$	2004-05 \$	2005-06 \$	2006-07 \$
ATO	36 889	38 607	40 276	42 081
AWE	38 483	40 091	42 073	43 982

(a) Based on Original, four quarter average to May quarter

STATISTICAL GEOGRAPHY

37 The Australian Standard Geographic Classification (ASGC) is used by the ABS for the collection and dissemination of geographically classified statistics. It is an essential reference for understanding and interpreting the geographic context of statistics published, not only by the ABS but also by other organisations, and its use enables comparability across datasets.

38 ATO data based on postcodes has been converted to data for Statistical Local Areas (SLA) as defined by the Australian Standard Geographical Classification (ASGC). Boundaries of these regions can change over time and the ABS revises and releases the ASGC annually.

39 Data in this publication for all years are presented on boundaries in Australian Standard Geographical Classification (ASGC), 2008 (cat. no. 1216.0).

Geographic concordances

40 The ABS uses geographic concordances to enable the conversion of data from one type of geographic region to another. These geographic concordances are generally used to convert data for 'non-standard areas' to data for standard areas used by the ABS. Geographic concordances (or conversions) are expressed as conversion factors based on population.

41 The geographic identifier on the ATO database is the postcode of the individuals' current home address at the time of completing the tax return. Consequently, postcode to SLA conversion factors have been used by the ATO to concord aggregated postcode data to estimates for Statistical Local Areas. The concordances are based on the Estimated Resident Population. For further information see the detailed main structure of the Australian Standard Geographical Classification (ASGC), 2008 (cat. no. 1216.0).

42 The concordance process:

- enables the data to be more easily compared with standard ABS output;
- enables the data to be output for other standard ABS geographic areas such as Statistical Divisions (SD), Statistical Subdivisions (SSD) and Local Government Areas; and
- provides flexibility so that data can be provided for the different regions of interest being studied by users of regional data (which are usually groupings of SLAs and/or LGAs).

43 When analysing concorded data the following limitations of this methodology need to be taken into account:

- in applying the concordances it is assumed that the particular characteristics of any data item are uniformly distributed across a postcode area. Therefore, concorded data may not truly reflect the distribution of the characteristics of the population. In some cases, where the same postcode is split across two or more SLAs and there are no other contributing postcodes, distinct numerical estimates will be derived but rates or averages will be identical for each SLA (as these will be equivalent to the original rate or average of the contributing postcode);
- the conversion factors are based on total population only but have been applied across all ATO data items, i.e. the number of wage and salary earners, wage and salary income, total income and sex, age and occupation groups;
- some official postcodes (such as PO boxes, etc.) do not correspond to residential areas but may still have been reported under the current home address field on the income tax return. Data for these and other 'invalid' postcodes, such as those due to incorrect reporting or processing errors, have been included in an 'unknown' category for each state and territory and for Australia where the state or territory was not known; and
- concorded figures have been rounded so discrepancies may occur between sums of the component items and totals.

44 While care was taken in producing the concordances the ABS will not guarantee the accuracy of concorded data. Users should exercise caution when analysing data for regions with less than 100 Wage and salary earners.

Geographic regions

45 The statistics in this release are presented according to the Australian Standard Geographical Classification (ASGC), 2008. Under this classification, statistical areas are defined as follows:

- **Local Government Areas (LGAs):** These areas are the spatial units which represent the geographical areas of incorporated local government councils. The various types of LGAs are cities (C), NSW local government areas (A), boroughs (B), rural cities (RC), towns (T), shires (S), district councils (DC), municipalities (M), SA regional councils (RegC), Qld regional councils (R) and SA Aboriginal councils (AC).

- **Statistical Local Areas (SLAs):** These geographical areas are in most cases identical with, or have been formed from a division of, whole LGAs. In other cases, they represent unincorporated areas. In aggregate, SLAs cover the whole of a state or territory without gaps or overlaps. In some cases legal LGAs overlap Statistical Subdivision boundaries and therefore comprise two or three SLAs.
- **Statistical Subdivisions (SSDs):** These are of intermediate size, between SLAs and SDs. In aggregate, they cover the whole of Australia without gaps or overlaps. They are defined as socially and economically homogeneous regions characterised by identifiable links between the inhabitants. In the non-urban areas an SSD is characterised by identifiable links between the economic units within the region, under the unifying influence of one or more major towns or cities.
- **Statistical Divisions (SDs):** These consist of one or more SSDs. The divisions are designed to be relatively homogeneous regions characterised by identifiable social and economic units within the region, under the unifying influence of one or more major towns or cities.

46 Further information concerning statistical areas, including information about recent changes to boundaries, is contained in [Australian Standard Geographical Classification \(ASGC\), 2008](#) (cat. no. 1216.0). The ASGC also includes a complete series of maps. SLA maps for all states and territories can be found in Chapter 16 of the publication, or can be accessed individually from the Downloads tab.

AVERAGE ANNUAL RATE OF GROWTH

47 45 The average annual growth rate is calculated as a percentage using the formula below, where W_0 is the average Wages and salaries at the start of the period, W_n is the average Wages and salaries at the end of the period, and n is the length of the period (in years) between W_0 and W_n .

48
$$[(W_n/W_0)^{1/n} - 1] \times 100$$

FURTHER INFORMATION

49 46 For further information about these statistics, contact the National Information Service on 1300 135 070.

(Appendix)

APPENDIX

1 This appendix outlines the changes that have been made to the data included in the Wage and Salary Earner Statistics for Small Areas series from the release of 2006-07 data. It provides a comparison between the current data and previously released data in Regional Wage and Salary Earners, Australia to illustrate the impact of these changes. The changes that have been made to the series are:

- change from 'main source of income' to all persons receiving income from Wages and salaries; and
- the definition of Wage and salary income (described below).

2 Users should exercise caution in comparing Wage and salary data for 2003-04 to 2005-06 that is contained in previous issues of this release.

Definition of Wages and salaries

3 There has been a change in the definition of Wage and salary earners in this issue, with the inclusion for the first time of Lump sums and Eligible termination payments. This change has been made to align with the changed definition of Wage and salary income in the ABS income standards. For more information on income standards, refer to the Explanatory Notes of [Household Income and Income Distribution, Australia, 2007-08](#) (cat. no. 6523.0).

Effects of changes

4 Table 1 compares previously published Wage and salary earners (main source of income) data to the current data for the years 2003-04 to 2005-06. At the Australia level, the changes to the series have resulted in an increase of almost 10% in the number of individuals receiving Wage and salary income, a 4% increase in total Wage and salary

income, and around a 5% reduction in average Wage and salary income in each reference year.

Table 1. Comparison of Wage and salary data, current release and previous release

Year	Number of Persons				Wage and salary income (\$m)				Average Wage and salary income (\$)			
	Current	Previous	Difference	%	Current	Previous	Difference	%	Current	Previous	Difference	%
2005-06	9 050 233	8 245 642	804 591	9.8	364 504.9	348 382.4	16 122.5	4.6	40 276	42 250	-1 974	-4.7
2004-05	8 821 514	8 045 667	775 847	9.6	340 570.9	326 536.1	14 034.8	4.3	38 607	40 585	-1 978	-4.9
2003-04	8 591 299	7 831 856	759 443	9.7	316 924.6	304 034.8	12 889.8	4.2	36 889	38 820	-1 931	-5.0

5 Users should not assume that all differences between the two series shown in Table 1 at Australia level are consistent across all states and territories and smaller regions.

Data Cubes (I-Note) - Data Cubes

23/02/2011 The contents of this data cube have been replaced due to a previous error in the number of Wage and salary earners by Occupation (Minor Groups) for 2003-04.

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